



# **ARIZONA DEPARTMENT OF REVENUE**

## **MEMORANDUM**

**DATE:** October 17, 2006

**FROM:** THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

### ***July 2006 TAX FACTS***

#### **SUMMARY OF GENERAL FUND REVENUES**

	<u>July 2006</u>
<b>Individual Income Tax</b>	
Net Collections	\$ 186,946,704
Percent Change	(0.8%)
<b>Corporate Income Tax</b>	
Net Collections	\$ 39,033,242
Percent Change	10.6%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>	
Net Collections	\$ 390,460,231
Change	12.3%
<b>Total Big Three Tax Types</b>	
Net Collections	\$ 616,440,177
Percent Change	7.9%

# TAX FACTS

## July 2006

### INDIVIDUAL INCOME TAX

#### Individual Income Tax Receipts

	Jul-06		Jul-05	
Gross Collections	\$ 17,937,645	\$	15,395,021	16.5%
Withholding	\$ 234,327,612	\$	221,317,607	5.9%
Refunds	\$ (19,382,664)	\$	(12,759,440)	51.9%
Urban Revenue Sharing	\$ (45,935,888)	\$	(35,435,744)	29.6%
<b>Net Collections</b>	<b>\$ 186,946,704</b>	<b>\$</b>	<b>188,517,444</b>	<b>(0.8%)</b>

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In July 2006, the department did not issue any individual or corporate income tax refunds for alternative fuel-related credits.

#### Ladewig Refunds

In July 2006, the department issued 294,827 warrants totaling \$75,871,729 for Ladewig, a Superior Court tax settlement case. Attorney payments are not included in the refund amount and total \$4,853,277 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

#### Individual Income Tax Document Count

In calendar year 2005, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	46,957	1,675,324	99,248	115,957	12	45,036	279,787	12,873	188,966	3,161	8	2,467,329
%	1.9%	67.9%	4.0%	4.7%	0.0%	1.8%	11.3%	0.5%	7.7%	0.1%	0.0%	

In calendar year 2006 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	38,572	1,547,553	90,669	123,476	0	36,851	385,051	12,095	173,492	3,451	10	2,411,220
%	1.6%	64.2%	3.8%	5.1%	0.0%	1.5%	16.0%	0.5%	7.2%	0.1%	0.0%	

The 2,411,220 returns representing current and prior tax years, filed through July 2006 compares to 2,284,311 returns filed during the same period of time in 2005 for an annual increase of 5.6%. For the tax year 2005 filed in 2006, 2,311,052 returns have been filed, a 5.5% increase in filings through July 2006 for tax year 2005.

#### Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,580,609 returns in calendar year 2006 for tax year 2005 from filers who also have returns on record from calendar year 2005 with the same marital status. On average, these filers experienced a 10.6% increase in FAGI and a 14.4% increase in tax liability. More specifically, 34.2% of these filers experienced a decrease in tax liability; on average a decrease of 19.5% in FAGI with a corresponding average decrease in tax liability of 37.7%. Filers with an increase in tax liability totaled 854,593 or 54.1%, with an average FAGI increase of 35.4% and an average tax liability increase of 63.2%.

## **Average Individual Income Tax Refund**

Net of Ladewig refunds.

	Average	Number
2006 CYTD	\$ 565.15	1,492,991
2005 CYTD	\$ 488.82	1,398,306
% Change	15.6	6.8

## **"New" Filers in Calendar Year 2006**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2006. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 266,599 "new" returns have been filed thus far in 2006, representing approximately 322,172 persons, not including dependents. The average Federal Adjusted Gross Income is \$21,784 with an average tax liability of \$371. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.6% had a married filing joint filing status, 7.0% claimed a 65 and Over Exemption and 34.0% claimed dependents.

## **Individual Income Tax Estimated Payments**

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES tax year 2005 was \$578.7 million, for an average of \$2,685. An additional \$94.6 million in estimated payments came from 2004 tax returns that applied their refunds as a 2005 estimated payment, for an average of \$2,353. Estimated payments received through July 2006 for tax year 2006 are as follows:

07/06	140ES payment	\$	104,467,941	Cumulative \$	215,453,045
07/05	140ES payment	\$	28,301,300	Cumulative \$	158,590,930
	% change		269.1%		35.9%
07/06	Average payment	\$	2,922	Cumulative \$	2,010
07/05	Average payment	\$	1,997	Cumulative \$	1,654
	% change		46.3%		21.5%
07/06	Applied refund	\$	5,458,118	Cumulative \$	31,785,002
07/05	Applied refund	\$	3,759,949	Cumulative \$	28,081,961
	% change		45.2%		13.2%
Total 07/06		\$	109,926,059	Cumulative \$	247,238,047
Total 07/05		\$	32,061,248	Cumulative \$	186,672,891
	% change		242.9%		32.4%

## **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2004 through March 2005, \$592,987,493 was received for the first quarter of 2004. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2005, which shows an increase of 7.1% in withholding payments over the second quarter of 2004. Growth in quarters for which information is still being gathered is as follows:

3 <sup>rd</sup> Quarter 2005	28.2%	1 <sup>st</sup> Quarter 2006	38.8%
4 <sup>th</sup> Quarter 2005	18.1%	2 <sup>nd</sup> Quarter 2006	23.3%
		3 <sup>rd</sup> Quarter 2006	1.2%

As of January 1, 2005, the current choices for withholding are 0%, 10%, 19%, 23%, 25%, 31% or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2006	13,387	\$ 4,776,613	\$ 358
Calendar Year 2005	14,486	\$ 5,128,165	\$ 354
% Change	(7.6)	(6.9)	1.1

### **Clean Elections**

As a result of the December 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2005 filed in 2006.

	July 2006	Calendar Year Total
Check Off	\$ 125,079	\$ 4,653,035
Voluntary Donation	\$ 13,136	\$ 64,436
Number of Returns	17,052	646,589

### **Contributions on the Individual Income Tax Return**

Through July 2006, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,251	\$ 201,884	\$ 19.69
Child Abuse	10,888	\$ 222,316	\$ 20.42
Special Olympics	5,299	\$ 97,869	\$ 18.47
Neighbors Helping	3,133	\$ 48,465	\$ 15.47
AID to Education	794	\$ 43,707	\$ 55.05
Domestic Violence Shelter	8,086	\$ 166,375	\$ 20.58
Democratic Party	1091	\$ 25,652	\$ 23.51
Republican Party	649	\$ 16,086	\$ 24.79
Libertarian Party	83	\$ 2,125	\$ 25.61

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## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	July 2006	July 2005	% Change
Gross Collections	\$43,353,146	\$25,278,574	10.0
Refunds	(\$4,319,904)	(\$4,286,201)	4.7
<b>Net Collections</b>	<b>\$39,033,242</b>	<b>\$20,992,373</b>	<b>10.6</b>

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

July 2006	\$31,215,258	Calendar Year Total	\$423,882,819
July 2005	\$28,019,137	Calendar Year Total	\$307,391,110
% Change	11.4%	% Change	37.9%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for July 2006 and for the calendar year.

### **Corporate Estimated Payments continued**

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
July 2006	133	36	21	10	5	0	205	15.2
July 2005	134	16	18	4	6	0	178	
CY 2005	1,771	315	356	80	62	0	2,584	8.2
CY 2004	1,717	256	319	56	41	0	2,389	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 05/06 by corporate fiscal year. For example, in FY 05/06, 38.4% of the refund dollars paid were for corporate fiscal years ending in 2001 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	38.4%	27.7%	0.6%	19.4%	13.8%	0.0%
Corporate Fiscal Year-End:	02 & Prior	03	04	05	06	07
FY 06/07	6.4%	14.4%	7.5%	69.7%	2.0%	0.0%

### **Corporate Refunds Applied as Estimated Payments**

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year

July 2006	\$8,485,397	Calendar Year Total	\$109,288,147
July 2005	\$6,069,082	Calendar Year Total	\$38,820,361
% Change	39.8%	% Change	181.5%

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 108,944 corporate returns showing a fiscal year-end of 2004. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	274	35,862	64,351	379	11,731
%	0.2	31.8	57.2	0.3	10.4

Through July 2005, 81,908 documents were received for a fiscal year-end of 2004, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	129	22,518	49,376	293	9,592
%	0.2	27.5	60.3	0.4	11.7

The figures for the 2005 returns are most meaningful when compared to 2004 returns received during the same period of time in the previous year. Through July 2005, the Department of Revenue received 77,252 documents with a fiscal year-end of 2004. Compared to 2005 documents, the Department has seen a 6.0% increase in the number of corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2005/06 is 15.0% of net proceeds from Fiscal Year 2003/04 income tax. Amounts returned for July 2006 are shown on Table 2, at the end of this report.

## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

### **Transaction Privilege, Severance and Use Tax Receipts**

	<b>July 2006</b>	<b>July 2005</b>	<b>% change</b>
Distribution Base	\$156,016,603	\$141,004,718	10.6%
Non shared	307,989,518	275,116,546	11.9%
Use Tax	28,660,586	23,872,256	20.1%
Education Tax	57,640,392	51,951,936	10.9%
Other Revenues	65,965,283	59,122,755	11.6%
<b>Total Collections</b>	<b>\$616,272,382</b>	<b>\$551,068,210</b>	<b>11.8%</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained by State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	<b>July 2006</b>	<b>July 2005</b>	<b>% change</b>
Retained by State	\$390,460,231	\$347,621,329	12.3%
Returned to Counties	63,202,326	57,121,011	10.6%
Returned to Cities	39,004,151	35,251,179	10.6%
Education Tax	57,640,392	51,951,936	10.9%
Other Revenues	65,965,283	59,122,755	11.6%
<b>Total Collections</b>	<b>\$616,272,382</b>	<b>\$551,068,210</b>	<b>11.8%</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>July 2006</b>	<b>% Chg</b>
Transporting	5.6	\$317,318	9.8%
Non-Metal Mining Oil/Gas	3.125%	905,882	(9.9%)
Utilities	5.6%	39,453,929	14.3%
Communications	5.6%	14,537,812	13.3%
Private Car/Pipelines	5.6%	104,029	n/a
Publishing	5.6%	573,264	(11.2%)
Job Printing	5.6%	1,727,252	7.6%
Restaurants & Bars	5.6%	37,977,003	8.8%

## **Transaction Privilege and Severance Tax Collections By Class continued**

	<b>Tax Rate</b>	<b>July 2006</b>	<b>% Chg</b>
Amusements	5.6%	4,166,343	16.1%
Commercial Lease	0%	20	n/a
Rental of Personal Property	5.6%	16,516,508	11.9%
Contracting	3.75% - 5.6%	103,325,611	22.0%
Retail	5.6%	229,990,096	6.7%
Mining Severance	2.5%	4,349,441	93.5%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	767	2.3%
Hotel/Motel	5.5%	9,159,842	12.0%
Membership Camping	5.6%	5,266	(18.9%)
Use Tax	5.6%	28,987,773	21.4%
Rental Occupancy Tax	3.0%	n/a	n/a
Jet Fuel		497,205	(9.4%)
Jet Fuel Use Tax	\$.0305/\$.0105 gal	42,774	(19.4%)
Telecomm Devices	----	528,199	N/A
911 Wireline	\$0.37/month per active service	1,333,897	14.3%
911 Wireless	\$0.37/month per active service	1,193,454	1.2%
<b>Total</b>		<b>\$495,691,687</b>	<b>12.0%</b>

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

## **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>July 2006</b>	<b>% Chg</b>
Transporting	\$6,348,048	9.8%
Non-Metal Mining Oil/Gas	28,988,215	(9.9%)
Utilities	789,078,578	14.3%
Communications	290,756,232	13.3%
Private Car/Pipelines	2,080,574	n/a
Publishing	11,465,271	(11.2%)
Job Printing	34,545,036	7.6%
Restaurants & Bars	759,540,065	8.8%
Amusements	83,326,862	16.1%
Commercial Lease	1,610	n/a
Rental of Personal Property	330,330,167	11.9%
Contracting	2,066,512,225	21.1%
Retail	4,599,801,915	6.7%
Mining Severance	173,977,630	93.5%
Timber Severance	360	2.3%
Hotel/Motel	\$166,542,583	12.0%
Membership Camping	105,326	(18.9%)
Use Tax	579,909,193	21.4%
Rental Occupancy Tax	n/a	n/a
<b>Total</b>	<b>\$9,923,243,323</b>	<b>12.2%</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for July 2006 is shown in the County Share column.

	<b>County Share</b>	<b>% of Total</b>
Apache	\$427,249	0.7%
Coconino	1,606,505	2.6%
Cochise	1,022,501	1.6%
Gila	450,070	0.7%
Graham	278,548	0.4%
Greenlee	500,134	0.8%
La Paz	165,074	0.3%
Maricopa	40,633,347	65.1%
Mohave	1,833,640	2.9%
Navajo	961,437	1.5%
Pima	8,906,330	14.3%
Pinal	2,210,409	3.5%
Santa Cruz	400,666	0.6%
Yavapai	2,268,667	3.6%
Yuma	1,537,752	2.5%
<b>Total</b>	<b>\$ 63,202,326</b>	<b>0.7%</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for July 2006 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during July 2006 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	<b>Road Tax</b>	<b>Excise Tax</b>	<b>Jail Tax</b>	<b>Rental Car Surcharge</b>	<b>Stadium Tax</b>	<b>RV Surcharge</b>	<b>Hospital Tax/Health Svcs Dist</b>	<b>Capitol Projects</b>	<b>Tourism Authority</b>
Apache		\$ 102,421							
Cochise		\$ 631,263							
Coconin		\$ 1,141,387	\$ 684,685					\$ 284,108	
Gila	\$ 300,626	\$ 294,197							
Graham		\$ 152,208							
Greenlee		\$ 101,213							
La Paz		\$ 89,977	\$ 89,976				\$ 15		
Maricop	\$ 33,642,402		\$ 12,475,807	\$ 475,782	\$ 584				\$ 1,498,907
Mohave		\$ 700,398							
Navajo		\$ 621,033							
Pima	\$ 3,314			\$ 130,501		\$ 8,902			
Pinal	\$ 1,836,867	\$ 1,804,084							
S Cruz		\$ 278,489	\$ 30						
Yavapai		\$ 1,519,244	\$ 759,125						
Yuma		\$ 949,052	\$ 949,056				\$ 187,567	\$ 948,119	



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## OTHER TAXES

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### **Luxury Taxes**

The following revenues were received from luxury taxes in July 2006. The table compares the receipts to July 2005 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<b>July 2006</b>		<b>July 2005</b>		<b>%</b>
Spirituous	\$	1,008,439	\$	1,931,563	(47.8%)
Vinous	\$	498,693	\$	630,311	(20.9%)
Malt	\$	2,662,548	\$	1,615,917	64.8%
Cigarette	\$	25,680,123	\$	23,206,377	10.7%
Other Tobacco	\$	778,190	\$	690,101	12.8%
Tobacco Licenses	\$	1,225	\$	450	172.2%
<b>Total</b>	<b>\$</b>	<b>30,629,218</b>	<b>\$</b>	<b>28,074,719</b>	<b>9.1%</b>

\*Through July 2006, \$278,976 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

### **General Fund revenues from luxury taxes:**

	<b>July 2006</b>	
Spirituous	\$	705,907
Vinous	\$	124,032
Malt	\$	665,637
Cigarette	\$	3,493,458
Other Tobacco	\$	58,364
Tobacco Licenses	\$	1,225
<b>Total</b>	<b>\$</b>	<b>5,048,624</b>

### **Other dedicated revenues from luxury taxes:**

	<b>July 2006</b>	
Correction Fund revenues	\$	2,276,073
Tobacco Tax & Health Care Fund <sup>2</sup>	\$	8,964,578
Tobacco Products Tax Fund <sup>3</sup>	\$	13,446,867
Wine Promotional Fund revenues	\$	2,565
Drug Treatment & Education Fund revenues	\$	639,153
Corrections Revolving Fund revenues	\$	251,361

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<sup>2</sup> Formerly the Health Care Fund

<sup>3</sup> This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

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**Estate Tax**

	July-06	\$	76,407
	July-05	\$	825,498
% change			<u>(90.7%)</u>

**Bingo**

	July-06	\$	65,954
	July-05	\$	64,327
% change			<u>2.5%</u>

**Unclaimed Property**

	July-06	\$	5,188,612
	July-05	\$	691,528
% change			<u>N/A</u>

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2006 for Tax Year 2005**  
**Through July 2006**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,335	0.9%	(\$16,489)	\$4	18.4%	73.3%	6.0%	2.3%	14.1%	13.6%
<b>\$0-\$5,000</b>	<b>52,803</b>	<b>19.8%</b>	<b>\$2,740</b>	<b>\$0</b>	<b>3.9%</b>	<b>85.4%</b>	<b>9.9%</b>	<b>0.8%</b>	<b>3.8%</b>	<b>15.7%</b>
\$5,000-\$10,000	54,552	20.5%	\$7,368	\$24	5.9%	76.3%	16.8%	1.0%	4.9%	24.8%
<b>\$10,000-\$15,000</b>	<b>38,150</b>	<b>14.3%</b>	<b>\$12,383</b>	<b>\$96</b>	<b>11.7%</b>	<b>60.9%</b>	<b>26.0%</b>	<b>1.4%</b>	<b>7.6%</b>	<b>36.4%</b>
\$15,000-\$20,000	28,767	10.8%	\$17,366	\$168	18.8%	50.0%	29.4%	1.8%	8.1%	43.1%
<b>\$20,000-\$25,000</b>	<b>20,313</b>	<b>7.6%</b>	<b>\$22,345</b>	<b>\$268</b>	<b>24.6%</b>	<b>44.2%</b>	<b>28.6%</b>	<b>2.5%</b>	<b>6.9%</b>	<b>47.5%</b>
\$25,000-\$30,000	14,487	5.4%	\$27,391	\$391	28.2%	42.8%	26.3%	2.7%	7.1%	46.5%
<b>\$30,000-\$40,000</b>	<b>18,816</b>	<b>7.1%</b>	<b>\$34,524</b>	<b>\$553</b>	<b>34.9%</b>	<b>39.4%</b>	<b>22.4%</b>	<b>3.3%</b>	<b>7.6%</b>	<b>46.9%</b>
\$40,000-\$50,000	11,061	4.1%	\$44,617	\$784	44.5%	34.6%	17.7%	3.2%	9.1%	46.1%
<b>\$50,000-\$75,000</b>	<b>14,107</b>	<b>5.3%</b>	<b>\$60,549</b>	<b>\$1,139</b>	<b>60.7%</b>	<b>25.6%</b>	<b>11.3%</b>	<b>2.4%</b>	<b>12.5%</b>	<b>47.1%</b>
\$75,000-\$100,000	5,788	2.2%	\$85,575	\$1,798	72.3%	19.0%	7.2%	1.5%	15.0%	46.1%
<b>\$100,000-\$200,000</b>	<b>4,422</b>	<b>1.7%</b>	<b>\$130,014</b>	<b>\$3,272</b>	<b>72.9%</b>	<b>18.9%</b>	<b>6.3%</b>	<b>1.9%</b>	<b>17.5%</b>	<b>44.6%</b>
\$200,000-\$500,000	851	0.3%	\$285,074	\$9,618	64.4%	25.9%	7.4%	2.3%	27.3%	36.1%
<b>\$500,000-\$1,000,000</b>	<b>104</b>	<b>0.0%</b>	<b>\$691,585</b>	<b>\$38,146</b>	<b>72.4%</b>	<b>22.9%</b>	<b>1.9%</b>	<b>2.9%</b>	<b>35.2%</b>	<b>28.6%</b>
\$1,000,000 and over	43	0.0%	\$2,202,870	\$132,655	60.5%	23.3%	7.0%	9.3%	37.2%	23.3%
<b>Total</b>	<b>266,599</b>		<b>\$21,784</b>	<b>\$371</b>	<b>16.6%</b>	<b>49.4%</b>	<b>16.0%</b>	<b>1.4%</b>	<b>7.0%</b>	<b>34.0%</b>

\*An asterisked line indicates that the information cannot be released due to confidentiality laws.

**NEW RETURNS FILED IN 2005 FOR TAX YEAR 2004**

<b>Total</b>	<b>258,482</b>		<b>\$22,021</b>	<b>\$390</b>	<b>17.0%</b>	<b>48.3%</b>	<b>16.1%</b>	<b>1.7%</b>	<b>7.5%</b>	<b>34.2%</b>
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**July 2006**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Surprise	\$835,253	88,265
Eagar	\$41,968	4,435	Tempe	\$1,568,930	165,796
Springerville	\$36,575	2,065	Tolleson	\$61,491	6,498
St. Johns	\$19,541	3,865	Wickenburg	\$57,507	6,077
<b><u>Cochise County</u></b>			Youngtown	\$58,321	6,163
Benson	\$44,855	4,740	<b><u>Mohave County</u></b>		
Bisbee	\$62,172	6,570	Bullhead City	\$361,582	38,210
Douglas	\$162,717	17,195	Colorado City	\$38,609	4,080
Huachuca City	\$17,317	1,830	Kingman	\$244,714	25,860
Sierra Vista	\$413,439	43,690	Lake Havasu City	\$505,656	53,435
Tombstone	\$15,235	1,610	<b><u>Navajo County</u></b>		
Willcox	\$36,764	3,885	Holbrook	\$51,337	5,425
<b><u>Coconino County</u></b>			Pinetop-Lakeside	\$39,413	4,165
Flagstaff	\$578,995	61,185	Show Low	\$93,258	9,885
Fredonia	\$10,504	1,110	Snowflake	\$46,700	4,935
Page	\$67,282	7,110	Taylor	\$38,798	4,100
Williams	\$29,761	3,145	Winslow	\$93,069	9,835
<b><u>Gila County</u></b>			<b><u>Pima County</u></b>		
Globe	\$70,925	7,495	Marana	\$252,899	26,725
Hayden	\$8,441	892	Oro Valley	\$372,843	39,400
Miami	\$18,500	1,955	Sahuarita	\$132,388	13,990
Payson	\$146,014	15,430	South Tucson	\$53,277	5,630
Star Valley	\$18,983	2,006	Tucson	\$5,013,221	529,770
Winkelman	\$4,192	443	<b><u>Pinal County</u></b>		
<b><u>Graham County</u></b>			Apache Junction	\$322,405	34,070
Pima	\$19,730	2,085	Casa Grande	\$307,264	32,470
Safford	\$88,574	9,360	Coolidge	\$77,407	8,180
Thatcher	\$43,057	4,550	Eloy	\$105,276	11,125
<b><u>Greenlee County</u></b>			Florence	\$194,276	20,530
Clifton	\$24,566	2,596	Kearny	\$21,282	2,249
Duncan	\$7,684	812	Mammoth	\$16,674	1,762
<b><u>La Paz County</u></b>			Maricopa	\$100,527	15,934
Parker	\$31,039	3,280	Superior	\$30,793	3,254
Quartzsite	\$34,067	3,600	<b><u>Santa Cruz County</u></b>		
<b><u>Maricopa County</u></b>			Nogales	\$206,578	21,830
Avondale	\$656,317	69,356	Patagonia	\$8,706	920
Buckeye	\$240,417	25,406	<b><u>Yavapai County</u></b>		
Carefree	\$34,862	3,684	Camp Verde	\$101,538	10,730
Cave Creek	\$45,101	4,766	Chino Valley	\$116,632	12,325
Chandler	\$2,184,490	230,845	Clarkdale	\$34,824	3,680
El Mirage	\$303,394	32,061	Cottonwood	\$102,768	10,860
Fountain Hills	\$231,768	24,492	Dewey-Humboldt	\$38,136	4,030
Gila Bend	\$18,737	1,980	Jerome	\$3,123	330
Gilbert	\$1,637,783	173,072	Prescott	\$385,807	40,770
Glendale	\$2,293,541	242,369	Prescott Valley	\$317,721	33,575
Goodyear	\$437,314	46,213	Sedona	\$103,478	10,935
Guadalupe	\$52,567	5,555	<b><u>Yuma County</u></b>		
Litchfield Park	\$42,849	4,528	San Luis	\$216,987	22,930
Mesa	\$4,240,339	448,096	Somerton	\$92,264	9,750
Paradise Valley	\$131,186	13,863	Wellton	\$18,642	1,970
Peoria	\$1,307,249	138,143	Yuma	\$840,079	88,775
Phoenix	\$13,965,839	1,475,834			
Queen Creek	\$155,326	16,414			
Scottsdale	\$2,221,462	234,752	<b>TOTAL</b>	<b>\$45,935,888</b>	<b>4,859,596</b>

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**July 2006**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Surprise	\$708,434	88,265
Eagar	\$35,596	4,435	Tempe	\$1,330,714	165,796
Springerville	\$16,574	2,065	Tolleson	\$52,154	6,498
St. Johns	\$31,021	3,865	Wickenburg	\$48,775	6,077
<b><u>Cochise County</u></b>			Youngtown	\$49,466	6,163
Benson	\$38,044	4,740	<b><u>Mohave County</u></b>		
Bisbee	\$52,732	6,570	Bullhead City	\$306,682	38,210
Douglas	\$138,011	17,195	Colorado City	\$32,747	4,080
Huachuca City	\$14,688	1,830	Kingman	\$207,558	25,860
Sierra Vista	\$350,665	43,690	Lake Havasu City	\$428,881	53,435
Tombstone	\$12,922	1,610	<b><u>Navajo County</u></b>		
Willcox	\$31,182	3,885	Holbrook	\$43,542	5,425
<b><u>Coconino County</u></b>			Pinetop/Lakeside	\$33,429	4,165
Flagstaff	\$491,084	61,185	Show Low	\$79,339	9,885
Fredonia	\$8,909	1,110	Snowflake	\$39,609	4,935
Page	\$57,066	7,110	Taylor	\$32,907	4,100
Williams	\$25,242	3,145	Winslow	\$78,938	9,835
<b><u>Gila County</u></b>			<b><u>Pima County</u></b>		
Globe	\$60,156	7,495	Marana	\$214,501	26,725
Hayden	\$7,159	892	Oro Valley	\$316,233	39,400
Miami	\$15,691	1,955	Sahuarita	\$112,287	13,990
Payson	\$123,844	15,430	South Tucson	\$45,188	5,630
Star Valley	\$16,101	2,006	Tucson	\$4,252,047	529,770
Winkelman	\$3,556	443	<b><u>Pinal County</u></b>		
<b><u>Graham County</u></b>			Apache Junction	\$273,453	34,070
Pima	\$16,735	2,085	Casa Grande	\$260,611	32,470
Safford	\$75,125	9,360	Coolidge	\$65,654	8,180
Thatcher	\$36,519	4,550	Eloy	\$89,292	11,125
<b><u>Greenlee County</u></b>			Florence	\$164,778	20,530
Clifton	\$20,836	2,596	Kearny	\$18,051	2,249
Duncan	\$6,517	812	Mammoth	\$14,142	1,762
<b><u>La Paz County</u></b>			Maricopa	\$127,890	15,934
Parker	\$26,326	3,280	Superior	\$26,117	3,254
Quartzsite	\$28,894	3,600	<b><u>Santa Cruz County</u></b>		
<b><u>Maricopa County</u></b>			Nogales	\$175,212	21,830
Avondale	\$556,666	69,356	Patagonia	\$7,384	920
Buckeye	\$203,914	25,406	<b><u>Yavapai County</u></b>		
Carefree	\$29,569	3,684	Camp Verde	\$86,121	10,730
Cave Creek	\$38,253	4,766	Chino Valley	\$98,923	12,325
Chandler	\$1,852,811	230,845	Clarkdale	\$29,536	3,680
El Mirage	\$257,328	32,061	Cottonwood	\$87,165	10,860
Fountain Hills	\$196,578	24,492	Dewey-Humboldt	\$32,346	4,030
Gila Bend	\$15,892	1,980	Jerome	\$2,649	330
Gilbert	\$1,389,113	173,072	Prescott	\$327,229	40,770
Glendale	\$1,945,305	242,369	Prescott Valley	\$269,480	33,575
Goodyear	\$370,915	46,213	Sedona	\$87,767	10,935
Guadalupe	\$44,586	5,555	<b><u>Yuma County</u></b>		
Litchfield Park	\$36,343	4,528	San Luis	\$184,041	22,930
Mesa	\$3,596,514	448,096	Somerton	\$78,256	9,750
Paradise Valley	\$111,267	13,863	Wellton	\$15,812	1,970
Peoria	\$1,108,765	138,143	Yuma	\$712,527	88,775
Phoenix	\$11,845,358	1,475,834			
Queen Creek	\$131,742	16,414			
Scottsdale	\$1,884,169	234,752	<b>TOTAL</b>	<b>\$39,004,151</b>	<b>4,859,596</b>